

Q3-2024

Survey shows softer business performance



- > The 'current performance' index decreased to 50.6 from 54.1, indicating ongoing economic challenges.
- > However, GBAI 'expectation' index showed a slight improvement for the second consecutive quarter, rising to 55.2 from 54.8.
- > Responses to our thematic questions suggest a call for increased policy support to assist GBA companies in addressing their internal and external challenges.



Top 5 sectors

	Current performance	Expectations
Manufacturing and trading	49.5	54.1
Retail and wholesale	55.8	58.6
Financial services	55.4	60.1
Professional services	53.8	58.7
Innovation and technology	52.6	69.7

GBAI business sub-indices by city: Current setback in Shenzhen; expected rebound in Hong Kong

Shenzhen saw a drop in its 'current performance' score despite enjoying a strong lift from stronger responses from the city's 'innovation and technology' companies, mirroring the broader industry score. In a positive surprise, Hong Kong posted the highest 'expectations' reading among all city sub-indices. We believe rising Fed rate cut expectations since late July may also have supported sentiments.



Thematic question: Do you see external (outside of China) or domestic risks (within China) posing a substantial challenge to your business over the next 12 months?

- > 44% respondents saw external risks, and 42% saw domestic risks, and these two groups were not mutually exclusive.



What are the top three external/domestic concerns you see impacting your business in the next 12 months?

- > The top three external concerns that the respondents see impacting their businesses includes: Higher global inflation and interest rates 47%; trade tariffs and sanctions against China-origin products 42% and worsening geopolitical conflict 29%



- > The top three domestic concerns that the respondents see impacting their businesses includes: Renewed China growth slowdown 46%; weak consumer/business confidence 39% and intense competition within industry 35%



Do you expect initiatives/regulatory support from the China government to address your domestic concerns?



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